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**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

**HOUMA-TERREBONNE
HOUSING AUTHORITY**

SEPTEMBER 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

4/22/09

Houma-Terrebonne Housing Authority

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Houma-Terrebonne Housing Authority

We have audited the accompanying basic financial statements of Houma-Terrebonne Housing Authority as of and for the year ended September 30, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Houma-Terrebonne Housing Authority as of September 30, 2008, and the changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 3, 2009, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 5 through 10 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and we express no opinion on it.



Our audit was performed for the purpose of forming an opinion on the basic financial statements of Houma-Terrebonne Housing Authority taken as a whole. The accompanying supplemental information on pages 32 through 40, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and the Financial Data Schedule required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Reznick Group, P.C.

Charlotte, North Carolina
April 3, 2009

Houma-Terrebonne Housing Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2008

The management's discussion and analysis of the Houma-Terrebonne Housing Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2008. Please read it in conjunction with the financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at September 30, 2008 by approximately \$10,708,000 (net assets), a decrease of 2.1 percent from September 30, 2007.
- The Authority's unrestricted cash balance at September 30, 2008 was approximately \$1,203,000, representing an increase of approximately \$186,000 or 18.3 percent, from September 30, 2007.
- The Authority had total revenue of approximately \$3,820,000 and total expenses of approximately \$4,102,000 for the year ended September 30, 2008.
- Net assets decreased by approximately \$282,000 for the year.
- The Authority's capital asset additions for the year were approximately \$551,000.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: (1) fund financial statements, and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Authority is a special-purpose government engaged only in a business-type activity. Accordingly, only fund financial statements are presented as the basic financial statements.

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *balance sheet* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

Houma-Terrebonne Housing Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

The *statement of revenue, expenses and changes in net assets* presents information detailing how the Authority's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g., depreciation and earned but unused vacation leave).

The *statement of cash flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from the U.S. Department of Housing and Urban Development (HUD).

MAJOR PROGRAMS

The Authority has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

Low- Income Public Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution Contract (ACC) with HUD, and HUD provides an Operating Subsidy to enable the Authority to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Capital Fund Program (CFP) - The Conventional Public Housing Program also included the CFP which is the primary funding source for the Authority's physical and management improvements. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

Houma-Terrebonne Housing Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

FINANCIAL ANALYSIS

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type, namely an enterprise fund which is a proprietary fund type. The financial statements can be found on pages 11 through 15 of this report.

Notes to the Financial Statements

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 16 through 25 of this report.

Houma-Terrebonne Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

Balance Sheets

The following table represents the condensed Balance Sheets as of September 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS	\$ 2,211,018	\$ 2,063,185
CAPITAL ASSETS	<u>11,916,004</u>	<u>12,493,565</u>
Total assets	<u>\$ 14,127,022</u>	<u>\$ 14,556,750</u>
CURRENT LIABILITIES	\$ 930,709	\$ 865,122
LONG - TERM LIABILITIES	<u>2,488,237</u>	<u>2,753,678</u>
Total liabilities	<u>3,418,946</u>	<u>3,618,800</u>
NET ASSEST		
Invested in capital assets, net of related liabilities	9,192,042	9,505,387
Unrestricted net assets	<u>1,516,034</u>	<u>1,432,563</u>
Total net assets	<u>10,708,076</u>	<u>10,937,950</u>
Total liabilities and net assets	<u>\$ 14,127,022</u>	<u>\$ 14,556,750</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by approximately \$10,708,000 at September 30, 2008 and \$10,938,000 at September 30, 2007.

By far the largest portion of the Authority's net assets reflects its investments in capital assets (e.g., buildings, machinery, and equipment). The Authority uses these capital assets to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net assets of the Authority are available for future use to provide program services.

Houma-Terrebonne Housing Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

Statements of Revenues, Expenses, and Changes in Net Assets

The following table reflects the condensed Statements of Revenues, Expenses, and Changes in Net Assets for the years ended September 30, 2008 and September 30, 2007:

	2008	2007
Net tenant rental revenue	\$ 1,399,900	\$ 1,416,959
HUD operating grants	1,759,853	1,684,285
HUD capital grants	527,550	617,862
Other revenue	133,145	132,827
Total revenue	<u>3,820,448</u>	<u>3,851,933</u>
Operating expenses	2,764,401	2,523,867
Depreciation expense	1,127,119	1,165,713
Interest expense	158,802	172,857
Total expenses	<u>4,050,322</u>	<u>3,862,437</u>
Net increase (decrease)	(229,874)	(10,504)
Net assets - beginning of year	<u>10,937,950</u>	<u>10,948,454</u>
Net assets - ending of year	<u>\$ 10,708,076</u>	<u>\$ 10,937,950</u>

The net assets of the Authority decreased by approximately \$229,900 during the year ended September 30, 2008 and by \$10,500 during the year ended September 30, 2007. The Authority's revenues are largely governmental revenues received from cost reimbursement grants. The Authority draws down monies from the grants' awards for allowable program expenses, except for non-cash transactions, such as depreciation expense and changes in compensated absences.

Houma-Terrebonne Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

September 30, 2008

CAPITAL ASSETS

As of September 30, 2008 and 2007, the Authority's investment in capital assets for its business-type activity was approximately \$11,916,000 and \$12,496,000 (net of accumulated depreciation), respectively, as reflected in the following schedule:

	2008	2007
Land	\$ 608,371	\$ 608,371
Buildings and improvements	34,538,345	34,024,827
Furniture and equipment - dwelling	363,060	353,750
Furniture and equipment - administrative	499,248	541,455
Accumulated depreciation	(24,093,020)	(23,030,661)
Total	<u>\$ 11,916,004</u>	<u>\$ 12,497,742</u>

Major capital asset purchases during the year ended September 30, 2008 and 2007 include dwelling structure improvements.

Additional information on the Authority's capital assets can be found in Note 6 on page 23 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the Federal budget than by local economic conditions. The budgets for 2008 through 2009 have already been approved by HUD.

FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE AUTHORITY

During the both years ended September 30, 2008 and 2007, approximately 60 percent of the Authority's revenues come from governmental grants.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Houma-Terrebonne Housing Authority, 7491 Park Avenue, Houma, LA 70363, or call (985) 876-4755.

Houma-Terrebonne Housing Authority

BALANCE SHEET

September 30, 2008

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 1,202,765
Cash and cash equivalents - restricted	64,650
Investments	426,536
Accounts receivable - tenants	26,585
Accounts receivable - HUD	385,750
Accrued interest receivable	1,542
Prepaid expenses	<u>103,190</u>
Total current assets	<u>2,211,018</u>

CAPITAL ASSETS

Land	608,371
Buildings and improvements	34,538,345
Furniture, equipment and machinery - dwelling	363,060
Furniture, equipment and machinery - administration	<u>499,248</u>
	36,009,024
Less: Accumulated depreciation	<u>(24,093,020)</u>
Total capital assets	<u>11,916,004</u>
Total assets	<u><u>\$ 14,127,022</u></u>

(continued)

Houma-Terrebonne Housing Authority

BALANCE SHEET - CONTINUED

September 30, 2008

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 56,450
Accrued expenses	27,632
Accrued interest payable	1,646
Deferred revenue	464,859
Other current liabilities	25,380
Accrued compensated absences - current portion	10,873
Tenant security deposits	64,650
Current portion of obligation under capital lease	<u>279,219</u>
Total current liabilities	<u>930,709</u>

LONG-TERM LIABILITIES

Obligation under capital lease - net of current portion	2,444,743
Accrued compensated absences - net of current portion	<u>43,494</u>
Total long-term liabilities	<u>2,488,237</u>
Total liabilities	<u>3,418,946</u>

NET ASSETS

Invested in capital assets, net of related debt	9,192,042
Unrestricted	<u>1,516,034</u>
Total net assets	<u>10,708,076</u>
Total liabilities and net assets	<u>\$ 14,127,022</u>

See notes to financial statements

Houma-Terrebonne Housing Authority

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

Year ended September 30, 2008

OPERATING REVENUE	
Dwelling rent	\$ 1,399,900
HUD operating grants	1,759,853
Other income	<u>80,295</u>
Total operating revenue	<u>3,240,048</u>
OPERATING EXPENSES	
Administrative	615,435
Tenant services	172,149
Utilities	852,210
Maintenance and operations	652,255
General	418,935
Casualty losses	24,630
Extraordinary maintenance expense	26,906
Depreciation expense	<u>1,127,119</u>
Total operating expense	<u>3,889,639</u>
Operating income (loss)	<u>(649,591)</u>
NON-OPERATING REVENUE (EXPENSES)	
Interest income	52,850
Interest expense	(158,802)
Loss on disposition of capital assets	<u>(1,881)</u>
Total non-operating revenue (expenses)	<u>(107,833)</u>
Income (loss) before capital grants	(757,424)
HUD CAPITAL GRANTS	<u>527,550</u>
Change in net assets	(229,874)
Net assets - beginning	<u>10,937,950</u>
Net assets - ending	<u><u>\$ 10,708,076</u></u>

See notes to financial statements

Houma-Terrebonne Housing Authority

STATEMENT OF CASH FLOWS

Year ended September 30, 2008

Cash flows from operating activities	
Dwelling rent receipts	\$ 1,362,824
Operating subsidy and grant receipts	2,003,567
Other income receipts	<u>86,315</u>
Total receipts	<u>3,452,706</u>
Payments to vendors	(1,914,361)
Payments to employees	<u>(895,076)</u>
Total disbursements	<u>(2,809,437)</u>
Net cash provided by operating activities	<u>643,269</u>
Cash flows from investing activities	
Increase in investments	(14,787)
Investment income	<u>53,741</u>
Net cash provided by investing activities	<u>38,954</u>
Cash flows from capital and related financing activities	
Capital grant receipts	477,710
Capital asset additions	(551,439)
Interest paid	(158,962)
Decrease in obligation under capital lease	<u>(264,216)</u>
Net cash used by capital and related financing activities	<u>(496,907)</u>
NET INCREASE IN CASH	185,316
Cash and cash equivalents, beginning	<u>1,082,099</u>
Cash and cash equivalents, ending	<u>\$ 1,267,415</u>

(continued)

Houma-Terrebonne Housing Authority

STATEMENT OF CASH FLOWS - CONTINUED

Year ended September 30, 2008

Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	<u>\$ (649,591)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	1,127,119
Changes in asset and liability accounts	
(Increase) decrease in assets	
Accounts receivable - tenants	(19,992)
Prepaid expenses	115,191
Other assets	6,020
Increase (decrease) in liabilities	
Accounts payable	(190,941)
Accrued expenses	(26,473)
Tenant security deposits	(625)
Deferred revenue	243,714
Other current liabilities	25,380
Accrued compensated absences	<u>13,467</u>
Total adjustments	<u>1,292,860</u>
Net cash provided by operating activities	<u><u>\$ 643,269</u></u>

See notes to financial statements

Houma-Terrebonne Housing Authority
NOTES TO FINANCIAL STATEMENTS

September 30, 2008

NOTE 1 - ORGANIZATION

Organization

The Houma-Terrebonne Housing Authority (the Authority) was created by Act 80 of the 2001 Regular Session of the Louisiana Legislature and is the successor to the Housing Authority of the City of Houma. The Authority, a public corporate body, was organized solely for the purpose of providing decent, safe and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a five-member governing Board of Commissioners (the Board), whose members are appointed by the President of the Terrebonne Parrish Consolidated Government. At least one commissioner appointed shall be a resident living in a housing development property operated by the Authority. Each member serves a five-year term on a rotating basis. Board members do not receive compensation for their service to the Authority.

A significant amount of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provides operation subsidies for Authority-owned public housing facilities and housing assistance payments for eligible individuals. As of September 30, 2008, the Authority operates 517 public housing units. The Authority also participates in HUD's Capital Fund.

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Authority is legally separate and fiscally independent, the Authority is a separate governmental reporting entity.

Houma-Terrebonne Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

The Authority is a related organization of the Terrebonne Parish Consolidated Government since its President appoints a voting majority of the Authority's governing board. The Terrebonne Parrish Consolidated Government is not financially accountable for the Authority as it cannot impose its will on the Authority and there is no potential for the Authority to provide financial benefit to, or impose financial burdens on, the Terrebonne Parrish Consolidated Government. Accordingly, the Authority is not a component unit of the financial reporting entity of the Terrebonne Parrish Consolidated Government.

The Authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the Authority.

Certain units of local government over which the Authority exercises no oversight responsibility, such as the parish police jury, school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Authority. In addition, the accompanying financial statements do not include any various tenant associations that may exist, which are legally separate entities.

Programs Administered by the Authority

The Authority administers annual contribution contracts to provide low-income housing with primary financial support from HUD. Programs administered by the Authority are as follows:

Low Rent Public Housing - The Authority owns, operates and maintains 517 units of Public Housing in 2 properties located in Houma, Louisiana. Under the Low Rent Housing Assistance Program, low-income tenants pay monthly rents, which are determined by their need for assistance. Revenues consist primarily of rents and other fees collected from tenants and an Operating Subsidy from HUD.

Capital Fund Programs (CFP) - Funds from the Capital Fund Program provided by HUD are used to maintain and improve the Public Housing portfolio. Substantially all additions to land structures and equipment for these properties are accomplished through the use of capital grant funds.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

In accordance with both the Louisiana State Reporting Law (LAS-R.S.24:514) and the uniform financial reporting standards for HUD housing programs, the accompanying

Houma-Terrebonne Housing Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Fund Accounting

The Authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Based upon compelling reasons offered by HUD, the Authority reports under the governmental proprietary fund type (enterprise fund). The enterprise fund emphasizes the flow of economic resources as a measurement focus. In this fund, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Pursuant to the election option made available by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are applied in the preparation of the financial statements.

The enterprise method is used to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income necessary for management accountability is appropriate. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through funding from HUD and charges to residents for rent and other fees.

All of the Authority's programs are accounted for as one business-type activity reported in a single enterprise fund.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist of tenant rents and fees and HUD operating grants. Non-operating revenues consist of interest income and other non-operating revenues. Non-operating expenses consist of interest expense.

Houma-Terrebonne Housing Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

Budgets

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program. Annual budgets are not required for the Capital Fund Program grants as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to non-routine expenditures.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables or depreciation.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and time deposits and other investments with original maturities of 90 days or less. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other State of the United States, or under the laws of the United States.

Investments

Investments are limited by R.S. 33:2955 and the Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates fair market value.

Tenant Receivables

Tenant receivables are reported net of an allowance for doubtful accounts. The Authority's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Houma-Terrebonne Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

Capital Assets

Land, buildings, furniture, equipment, and machinery are carried at historical costs. Donated assets are recorded at fair market value at the date of donation. Depreciation is recorded on the straight-line method over the following estimated useful lives:

Buildings	33 years
Building improvements	15 years
Furniture, equipment and machinery	3 - 7 years

Impairment of Long-Lived Assets

In accordance with GASB No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. No such impairment loss was incurred during the current year.

Deferred Revenues

The Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Authority before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences

The Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Houma-Terrebonne Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 3 - CASH AND INVESTMENTS

Cash Equivalents

It is the Authority's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance.

Investments

Investments consist of certificates of deposits. It is the policy of the Authority that investments be secured by collateral valued at market or par, whichever is lower, less the amount of FDIC insurance.

Risks

Custodial Credit Risk - This is the risk that in the event of a bank failure, the Authority's deposits and investments may not be returned to it. As of September 30, 2008, \$1,177,942 of the Authority's deposits and investments were exposed to this risk because the amounts were in excess of FDIC insurance limits and the accounts were collateralized with securities held by the pledging financial institution in the Authority's name. The Authority's procedures for protecting the value of its investments by having uninsured deposits fully secured by obligations of the U.S. government and its agencies are in accordance with HUD and state policies. The following schedule summarizes the custodial credit risk:

	Balance Reported on the Authority's Financial Statements	Balance Deposited with the Financial Institution	FDIC Insurance	Uninsured Amount (Fully Collateralized)
Bank deposits	\$ 1,267,415	\$ 1,336,978	\$ 250,000	\$ 1,086,978
Certificates of deposit				
Deposits	<u>426,536</u>	<u>426,536</u>	<u>335,572</u>	<u>90,964</u>
Total	<u>\$ 1,693,951</u>	<u>\$ 1,763,514</u>	<u>\$ 585,572</u>	<u>\$ 1,177,942</u>

Houma-Terrebonne Housing Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

Cash and investments are reported on the balance sheet as follows:

Cash and cash equivalents - unrestricted	\$ 1,202,765
Cash and cash equivalents - restricted	<u>64,650</u>
Total cash and cash equivalents	1,267,415
Investments	<u>426,536</u>
Total	<u>\$ 1,693,951</u>

NOTE 4 - RECEIVABLES

The receivables at September 30, 2008, are as follows:

<u>Class of Receivables</u>	<u>Low Rent</u>	<u>Capital Fund Program</u>	<u>Total</u>
Local Sources:			
Tenants	\$ 31,501	\$ -	\$ 31,501
Less allowance for doubtful accounts	<u>(4,916)</u>	<u>-</u>	<u>(4,916)</u>
	26,585	-	26,585
Federal Sources:			
Due from HUD	<u>84,189</u>	<u>301,561</u>	<u>385,750</u>
Total	<u>\$ 110,774</u>	<u>\$ 301,561</u>	<u>\$ 412,335</u>

NOTE 5 - DEFERRED REVENUE

As of September 30, 2008, deferred revenue consisted of prepaid tenant rents of \$29,226, deferred insurance proceeds of \$189,154, and deferred low rent operating grant revenues of \$246,479.

Houma-Terrebonne Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

NOTE 6 - CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year ended September 30, 2008:

	Balance 9/30/2007	Additions	Deletions	Prior Period Adjustment	Balance 9/30/2008
Land	\$ 608,371	\$ -	\$ -	\$ -	\$ 608,371
Buildings and improvements	34,020,650	517,695	-	-	34,538,345
Furniture, equipment and machinery-					
Dwelling	353,750	9,310	-	-	363,060
Administration	541,455	24,434	(66,641)	-	499,248
Total	35,524,226	551,439	(66,641)	-	36,009,024
Accumulated depreciation	(23,030,661)	(1,127,119)	64,760	-	(24,093,020)
Capital assets - net	<u>\$ 12,493,565</u>	<u>\$ (575,680)</u>	<u>\$ (1,881)</u>	<u>\$ -</u>	<u>\$ 11,916,004</u>

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at September 30, 2008, are as follows:

	Low Rent	Capital Fund Program	Total
Accounts payable			
Vendors	\$ 23,954	\$ 32,496	\$ 56,450
Accrued expenses			
Payroll	22,855	4,777	27,632
Other current liabilities			
Accrued utilities	25,380	-	25,380
Total	<u>\$ 72,189</u>	<u>\$ 37,273</u>	<u>\$ 109,462</u>

NOTE 8 - CAPITAL LEASE

The Authority financed certain improvements to its facilities via a long-term capital lease. These improvements were made to improve energy efficiency and management. The lease requires 3 initial interest-only payments and 48 quarterly principal and interest payments of \$105,795. The outstanding portion of this lease is reported as a capital lease obligation. The final maturity date is September 26, 2016.

Houma-Terrebonne Housing Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

The cost of the assets under capital lease is \$3,699,498 and accumulated depreciation at September 30, 2008 is \$938,971. Depreciation expense of assets under capital lease is included in depreciation expense.

Future minimum payments under the capital lease of September 30, 2008, for the following five years and thereafter, are as follows:

2009	\$ 423,180
2010	423,180
2011	423,180
2012	423,180
2013	423,180
2014-2016	<u>1,269,540</u>
Total minimum payments	3,385,440
Less amount representing interest	<u>661,478</u>
Present value of net minimum lease payments	<u>\$ 2,723,962</u>

The obligation under the capital lease is shown on the balance sheet as follows:

Current portion	\$ 279,219
Long-term portion	<u>2,444,743</u>
	<u>\$ 2,723,962</u>

NOTE 9 - RETIREMENT PLAN

The Authority provides retirement benefits for all of its full-time employees through a defined contribution plan administered by the Housing Agency Retirement Trust. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Full-time and part-time employees are eligible to participate after six-month and five-year exclusionary periods, respectively. The employee may contribute 3 percent and the Authority contributes 3 percent of the participating employee's base salary each month. The Authority's contributions for each employee, and interest allocated to the employee's account, begin vesting after 3 years and are fully vested after 7 years of participation.

Houma-Terrebonne Housing Authority

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2008

The Authority's total payroll during the year ended September 30, 2008 was \$736,675. The Authority's contributions were calculated using the base salary amount of approximately \$642,000. Contributions to the plan were \$17,937 by both the employees and the Authority.

NOTE 10 - INTER-PROGRAM EXPENSES

The following amounts from the Financial Data Schedules have been eliminated in preparing the basic financial statements:

Property management fees	\$ 254,988
Bookkeeping fees	45,735
Asset management fees	62,040

NOTE 11 - RISK MANAGEMENT

The Authority is subject to the normal risks associated with rental and business activities and purchases insurance to protect against the risk of loss.

NOTE 12 - FEDERAL COMPLIANCE CONTINGENCIES

The Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Authority in the current and prior years. These examinations may result in required refunds by the Authority to federal grantors and/or program beneficiaries.

NOTE 13 - ECONOMIC DEPENDENCY

The Authority is economically dependent upon annual contributions and grants from HUD. For the year ended September 30, 2008, HUD provided approximately 60 percent of the Authority's revenue. If the amount of revenues received from HUD falls below critical levels, the Authority's operating results could be adversely affected.

INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Houma-Terrebonne Housing Authority

We have audited the basic financial statements of Houma-Terrebonne Housing Authority as of and for the year ended September 30, 2008, and have issued our report thereon dated April 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Houma-Terrebonne Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Houma-Terrebonne Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reznick Group, P.C.

Charlotte, North Carolina
April 3, 2009

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

To the Board of Directors
Houma-Terrebonne Housing Authority

Compliance

We have audited the compliance of Houma-Terrebonne Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2008. Houma-Terrebonne Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Houma-Terrebonne Housing Authority's management. Our responsibility is to express an opinion on Houma-Terrebonne Housing Authority's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Houma-Terrebonne Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Houma-Terrebonne Housing Authority's compliance with those requirements.

In our opinion, Houma-Terrebonne Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

Internal Control over Compliance

The management of Houma-Terrebonne Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Houma-Terrebonne Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reznick Group, P.C.

Charlotte, North Carolina
April 3, 2009

Houma-Terrebonne Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2008

Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Houma-Terrebonne Housing Authority.
2. No significant deficiencies or material weaknesses in internal controls were identified during the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements of Houma-Terrebonne Housing Authority were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal controls were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Houma-Terrebonne Housing Authority expresses an unqualified opinion.
6. There were no findings or questioned costs required to be reported under Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs include:

CFDA #14.850 Low-Income Public Housing
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Houma-Terrebonne Housing Authority was determined to be a low-risk auditee.

Findings - Financial Statement Audit

None.

Findings and Questioned Costs - Major Federal Awards Program Audit

None.

SUPPLEMENTAL INFORMATION

Houma-Terrebonne Housing Authority

FINANCIAL DATA SCHEDULE SUMMARY
BALANCE SHEET ACCOUNTS

September 30, 2008

Line Item #	Account Description	AMP 1 Total	AMP 1 Low Rent	AMP 1 CFP	AMP 2 Total	AMP 2 Low Rent	AMP 2 CFP	COCC	Eliminations	TOTAL
ASSETS:										
CURRENT ASSETS:										
Cash:										
111	Cash - Unrestricted	\$ 256,287	\$ 425,113	\$ (168,826)	\$ 746,138	\$ 841,600	\$ (95,462)	\$ 200,340	\$ -	\$ 1,202,765
114	Cash - Tenant Security Deposits	26,775	26,775	-	37,875	37,875	-	-	-	64,650
100	Total Cash	283,062	451,888	(168,826)	784,013	879,475	(95,462)	200,340	-	1,267,415
Accounts and Notes Receivables:										
122.1	Accounts Receivable - HUD Other Projects - Operat	84,189	84,189	-	-	-	-	-	-	84,189
122.2	Accounts Receivable - HUD Other Projects - Capital	180,049	-	180,049	121,512	-	121,512	-	-	301,561
122	Accounts Receivable - HUD Other Projects	264,238	84,189	180,049	121,512	-	121,512	-	-	385,750
126	Accounts Receivable - Tenants - Dwelling Rents	31,036	31,036	-	465	465	-	-	-	31,501
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(4,572)	(4,572)	-	(344)	(344)	-	-	-	(4,916)
128	Fraud Recovery	5,285	5,285	-	-	-	-	-	-	5,285
128.1	Allowance for Doubtful Accounts - Fraud	(5,285)	(5,285)	-	-	-	-	-	-	(5,285)
129	Accrued Interest Receivable	689	689	-	679	679	-	174	-	1,542
120	Total Receivables, Net of Allowances for Doubtful Accounts	291,391	111,342	180,049	122,312	800	121,512	174	-	413,877
Current Investments:										
131	Investments - Unrestricted	190,546	190,546	-	187,803	187,803	-	48,187	-	426,536
142	Prepaid Expenses and Other Assets	95,164	95,164	-	5,636	5,636	-	2,390	-	103,190
150	TOTAL CURRENT ASSETS	860,163	848,940	11,223	1,099,764	1,073,714	26,050	251,091	-	2,211,018
NONCURRENT ASSETS:										
Fixed Assets:										
161	Land	262,776	262,776	-	345,595	345,595	-	-	-	608,371
162	Buildings	18,262,531	17,266,957	995,574	15,989,886	15,398,597	591,289	-	-	34,252,417
163	Furniture, Equipment & Machinery - Dwellings	159,817	154,708	5,109	203,243	199,999	3,244	-	-	363,060
164	Furniture, Equipment & Machinery - Administration	236,402	210,267	26,135	239,218	204,169	35,049	23,628	-	499,248
166	Accumulated Depreciation	(11,457,486)	(11,345,164)	(112,322)	(12,615,704)	(12,551,228)	(64,476)	(19,830)	-	(24,093,020)
168	Infrastructure	158,280	158,280	-	127,648	127,648	-	-	-	285,928
160	Total Fixed Assets, Net of Accumulated Depreciation	7,622,320	6,707,824	914,496	4,289,886	3,724,780	565,106	3,798	-	11,916,004
180	TOTAL NONCURRENT ASSETS	7,622,320	6,707,824	914,496	4,289,886	3,724,780	565,106	3,798	-	11,916,004
190	TOTAL ASSETS	\$ 8,482,483	\$ 7,556,764	\$ 925,719	\$ 5,389,650	\$ 4,798,494	\$ 591,156	\$ 254,889	\$ -	\$ 14,127,022

(continued)

Houma-Terrebonne Housing Authority

FINANCIAL DATA SCHEDULE SUMMARY
BALANCE SHEET ACCOUNTS - CONTINUED

September 30, 2008

Line Item #	Account Description	AMP 1 Total	AMP 1 Low Rent	AMP 1 CFP	AMP 2 Total	AMP 2 Low Rent	AMP 2 CFP	COCC	Eliminations	TOTAL
LIABILITIES AND NET ASSETS:										
LIABILITIES:										
CURRENT LIABILITIES:										
312	Accounts Payable <= 90 Days	\$ 12,963	\$ 6,517	\$ 6,446	\$ 35,846	\$ 9,796	\$ 26,050	\$ 7,641	\$ -	\$ 56,450
321	Accrued Wage/Payroll Taxes Payable	13,778	9,001	4,777	7,417	7,417	-	6,437	-	27,632
322	Accrued Compensated Absences - Current	5,724	5,724	-	3,106	3,106	-	2,043	-	10,873
325	Accrued Interest Payable	284	284	-	1,362	1,362	-	-	-	1,646
341	Tenant Security Deposits	26,775	26,775	-	37,875	37,875	-	-	-	64,650
342.1	Deferred Revenue - Operating Subsidy	-	-	-	246,479	246,479	-	-	-	246,479
342.3	Deferred Revenue - Other	196,767	196,767	-	21,613	21,613	-	-	-	218,380
342	Deferred Revenues	196,767	196,767	-	268,092	268,092	-	-	-	464,859
343.2	Capital Projects/Mortgage Revenue	48,193	48,193	-	231,026	231,026	-	-	-	279,219
343	Current Portion of Long-Term Debt - Capital Projects	48,193	48,193	-	231,026	231,026	-	-	-	279,219
346	Accrued Liabilities - Other	20,748	20,748	-	4,606	4,606	-	26	-	25,380
310	TOTAL CURRENT LIABILITIES	325,232	314,009	11,223	589,330	563,280	26,050	16,147	-	930,709
NONCURRENT LIABILITIES:										
351.2	Long-term - Capital Projects	421,963	421,963	-	2,022,780	2,022,780	-	-	-	2,444,743
351	Long-Term Debt - Capital Projects	421,963	421,963	-	2,022,780	2,022,780	-	-	-	2,444,743
354	Accrued Compensated Absences - Non Current	22,896	22,896	-	12,425	12,425	-	8,173	-	43,494
350	TOTAL NONCURRENT LIABILITIES	444,859	444,859	-	2,035,205	2,035,205	-	8,173	-	2,488,237
300	TOTAL LIABILITIES	770,091	758,868	11,223	2,624,535	2,598,485	26,050	24,320	-	3,418,946
NET ASSETS:										
508.1	Invested in Capital Assets, Net of Related Debt	7,152,164	6,237,668	914,496	2,036,080	1,470,974	565,106	3,798	-	9,192,042
512.1	Unrestricted Net Assets	560,228	560,228	-	729,035	729,035	-	226,771	-	1,516,034
513	TOTAL NET ASSETS	7,712,392	6,797,896	914,496	2,765,115	2,200,009	565,106	230,569	-	10,708,076
600	TOTAL LIABILITIES AND NET ASSETS	\$ 8,482,483	\$ 7,556,764	\$ 925,719	\$ 5,389,650	\$ 4,798,494	\$ 591,156	\$ 254,889	\$ -	\$ 14,127,022

Houma-Terrebonne Housing Authority

FINANCIAL DATA SCHEDULE SUMMARY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS ACCOUNTS

Year ended September 30, 2008

Line Item #	Account Description	AMP 1 Total	AMP 1 Low Rent	AMP 1 CFP	AMP 2 Total	AMP 2 Low Rent	AMP 2 CFP	COCC	Eliminations	TOTAL
REVENUE:										
703	Net Tenant Rental Revenue	\$ 434,057	\$ 434,057	\$ -	\$ 791,032	\$ 791,032	\$ -	\$ -	\$ -	\$ 1,225,089
704	Tenant Revenue - Other	157,118	157,118	-	17,693	17,693	-	-	-	174,811
705	Total Tenant Revenue	591,175	591,175	-	808,725	808,725	-	-	-	1,399,900
706	HUD PHA Grants	998,697	922,408	76,289	761,156	718,199	42,957	-	-	1,759,853
706.1	Capital Grants	360,974	-	360,974	166,576	-	166,576	-	-	527,550
707.1	Management Fee	-	-	-	-	-	-	254,988	(254,988)	-
707.2	Asset Management Fee	-	-	-	-	-	-	62,040	(62,040)	-
707.3	Book-keeping fee	-	-	-	-	-	-	45,735	(45,735)	-
707.4	Front Line Service Fee	-	-	-	-	-	-	-	-	-
707.5	Other Fees	-	-	-	-	-	-	-	-	-
707	Total Fee Revenue	-	-	-	-	-	-	362,763	(362,763)	-
708	Other Governmental Grants	-	-	-	-	-	-	-	-	-
711	Investment Income - Unrestricted	17,179	17,179	-	33,628	33,628	-	2,043	-	52,850
714	Fraud Recovery	1,259	1,259	-	-	-	-	-	-	1,259
715	Other Revenue	40,167	40,167	-	37,567	37,567	-	1,302	-	79,036
716	Gain/Loss on Sale of Fixed Assets	(790)	(790)	-	(1,091)	(1,091)	-	-	-	(1,881)
700	TOTAL REVENUE	2,008,661	1,571,398	437,263	1,806,561	1,597,028	209,533	366,108	(362,763)	3,818,567

(continued)

Houma-Terrebonne Housing Authority

FINANCIAL DATA SCHEDULE SUMMARY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS ACCOUNTS - CONTINUED

Year ended September 30, 2008

Line Item #	Account Description	AMP 1 Total	AMP 1 Low Rent	AMP 1 CPP	AMP 2 Total	AMP 2 Low Rent	AMP 2 CPP	COCC	Eliminations	TOTAL
EXPENSES:										
Administrative:										
911	Administrative Salaries	69,146	47,423	21,723	86,140	68,162	17,978	153,573	-	308,859
912	Auditing Fees	13,533	13,533	-	12,079	12,079	-	5,138	-	30,750
913	Management Fee	107,046	107,046	-	147,942	147,942	-	-	(254,988)	-
913.1	Book-keeping Fee	19,200	19,200	-	26,535	26,535	-	-	(45,735)	-
915	Employee Benefit Contributions - Administrative	11,608	11,608	-	16,452	16,452	-	45,219	-	73,279
916	Other Operating - Administrative	25,695	25,695	-	49,204	49,204	-	19,179	-	94,078
917	Legal Expense	1,171	1,171	-	635	635	-	4,444	-	6,250
918	Travel	3,857	3,857	-	3,273	3,273	-	9,617	-	16,747
919	Other	19,215	19,215	-	11,405	11,405	-	54,852	-	85,472
700	Total Operating - Administrative	270,471	248,748	21,723	353,665	335,687	17,978	292,022	(300,723)	615,435
920	Asset Management Fee	26,040	26,040	-	36,000	36,000	-	-	(62,040)	-
Tenant Services:										
921	Tenant Services - Salaries	45,456	45,456	-	72,841	72,841	-	-	-	118,297
922	Relocation Costs	1,207	1,207	-	-	-	-	-	-	1,207
923	Employee Benefit Contributions - Tenant Services	17,163	17,163	-	17,771	17,771	-	-	-	34,934
924	Tenant Services - Other	10,201	10,201	-	7,510	7,510	-	-	-	17,711
925	Total Tenant Services	74,027	74,027	-	98,122	98,122	-	-	-	172,149
Utilities:										
931	Water	40,874	40,874	-	34,678	34,678	-	194	-	75,746
932	Electricity	275,906	275,906	-	341,513	341,513	-	1,915	-	619,334
933	Gas	43,781	43,781	-	30,357	30,357	-	170	-	74,308
936	Sewer	43,928	43,928	-	38,677	38,677	-	217	-	82,822
930	Total Utilities	404,489	404,489	-	445,225	445,225	-	2,496	-	852,210
Ordinary Maintenance & Operation:										
941	Ordinary Maintenance & Operation - Labor	163,909	163,909	-	102,846	102,846	-	-	-	266,755
942	Ordinary Maintenance & Operation - Materials & Other	63,649	63,649	-	44,357	44,357	-	1,617	-	109,623
943.1	Ordinary Maintenance & Operations Contracts - Garbage and	32,193	32,193	-	19,759	19,759	-	93	-	52,045
943.2	Ordinary Maintenance & Operations Contracts - Heating &	15,310	15,310	-	41,032	41,032	-	-	-	56,342
943.4	Ordinary Maintenance & Operations Contracts - Elevator	-	-	-	33,714	33,714	-	-	-	33,714
943.7	Ordinary Maintenance & Operations Contracts - Electrical	3,423	3,423	-	468	468	-	-	-	3,891
943.8	Ordinary Maintenance & Operations Contracts - Plumbing	-	-	-	450	450	-	-	-	450
943.9	Ordinary Maintenance & Operations Contracts -	5,415	5,415	-	3,320	3,320	-	-	-	8,735
943.12	Ordinary Maintenance & Operations Contracts - Misc	29,363	29,363	-	18,733	18,733	-	321	-	48,417
943	Ordinary Maintenance & Operations - Contracts	85,704	85,704	-	117,476	117,476	-	414	-	203,594
945	Employee Benefit Contributions - Ordinary Maintenance	45,210	45,210	-	27,073	27,073	-	-	-	72,283
940	Total Maintenance	358,472	358,472	-	291,752	291,752	-	2,031	-	652,255

(continued)

Houma-Terrebonne Housing Authority

FINANCIAL DATA SCHEDULE SUMMARY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS ACCOUNTS - CONTINUED

Year ended September 30, 2008

Line Item #	Account Description	AMP 1 Total	AMP 1 Low Rent	AMP 1 CFP	AMP 2 Total	AMP 2 Low Rent	AMP 2 CFP	COCC	Eliminations	TOTAL
Insurance Premiums:										
961.1	Property Insurance	26,350	26,350	-	31,010	31,010	-	173	-	57,533
961.2	Liability Insurance	9,295	9,295	-	10,939	10,939	-	61	-	20,295
961.3	Workmen's Compensation	20,380	20,380	-	16,637	16,637	-	10,796	-	47,813
961.4	All Other Insurance	205,456	205,456	-	20,413	20,413	-	8,202	-	234,071
961	Total Insurance Premiums	261,481	261,481	-	78,999	78,999	-	19,232	-	339,712
General Expenses:										
962.1	Compensated absences	19,416	19,416	-	11,955	11,955	-	11,393	-	42,764
964	Bad Debt - Tenant Rents	12,275	12,275	-	4,184	4,184	-	-	-	16,459
960	Total Other General Expenses	31,691	31,691	-	16,139	16,139	-	11,393	-	59,223
Interest Expense and Amortization Cost:										
967.1	Interest of Mortgage (or Bonds) Payable	27,409	27,409	-	131,393	131,393	-	-	-	158,802
967	Total Interest Expense and Amortization Cost	27,409	27,409	-	131,393	131,393	-	-	-	158,802
969	TOTAL OPERATING EXPENSES	1,454,080	1,432,357	21,723	1,451,295	1,433,317	17,978	327,174	(362,763)	2,869,786
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	554,581	139,041	415,540	355,266	163,711	191,555	38,934	-	948,781
Other Expenses:										
971	Extraordinary Maintenance	3,337	3,337	-	23,569	23,569	-	-	-	26,906
972	Casualty Losses - Non-Capitalized	24,630	24,630	-	-	-	-	-	-	24,630
974	Depreciation Expense	752,836	672,940	59,896	393,555	352,500	40,855	928	-	1,121,119
940	Total Maintenance	760,803	700,907	59,896	416,924	376,069	40,855	928	-	1,178,655
900	TOTAL EXPENSES	2,214,883	2,135,264	81,619	1,868,219	1,809,386	38,833	328,102	(362,763)	4,048,441
Other Financing Sources (Uses)										
1001	Operating Transfers In	54,566	54,566	-	24,980	24,980	-	-	-	79,546
1002	Operating Transfers Out	(54,566)	-	(54,566)	(24,980)	-	(24,980)	-	-	(79,546)
1010	Total Other Financing Sources (Uses)	-	54,566	(54,566)	-	24,980	(24,980)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (206,222)	\$ (561,866)	\$ 355,644	\$ (61,658)	\$ (212,358)	\$ 150,700	\$ 38,006	\$ -	\$ (229,874)
1102	Required Annual Debt Principal Payments	\$ 45,604		\$ 218,612				\$ -		\$ 264,216
1103	Beginning Equity	\$ 7,918,614	\$ 7,305,196	\$ 613,418	\$ 2,826,773	\$ 2,387,387	\$ 439,386	\$ 192,563	\$ -	\$ 10,937,950
1104	Prior Period Adjustments, Equity Transfers, and Correction of Errors	\$ -		\$ -				\$ -		\$ -
1119	Unit Months Available	2,142		3,279				-		5,421
1121	Unit Months Leased	2,098		3,217				-		5,315
1127	Excess Cash	\$ 439,767		\$ 504,798				\$ -		\$ 944,565
1162	Building Purchases	\$ 350,606		\$ 156,326				\$ -		\$ 507,132
1164	Furniture & Equipment - Administrative Purchases	\$ 10,368		\$ 10,050				\$ -		\$ 20,418
1390	Replacement Housing Factor Funds	\$ 384,299		\$ -				\$ -		\$ 384,299

Houma-Terrebonne Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS

Year ended September 30, 2008

	<u>Federal CFDA #</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:		
Public Housing:		
Operating Subsidy	14.850	\$ 1,640,607
Capital Fund program	14.872	<u>646,796</u>
TOTAL FEDERAL FINANCIAL AWARDS		<u><u>\$ 2,287,403</u></u>

*Note: The accompanying schedule of expenditures of federal awards includes the federal grant activity for Houma-Terrebonne Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Houma-Terrebonne Housing Authority

PUBLIC HOUSING BUDGET VS. ACTUAL COMPARISON

Year ended September 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Net tenant rental revenue	\$ 1,225,250	\$ 1,225,089	\$ (161)
HUD PHA grants	1,640,610	1,640,607	(3)
Investment income - unrestricted	40,580	52,850	12,270
Gain or loss on sale of fixed assets	-	(1,881)	(1,881)
Other revenue	286,830	255,106	(31,724)
TOTAL REVENUES	3,193,270	3,171,771	(21,499)
OPERATING EXPENSES:			
Administrative	637,180	575,734	61,446
Tenant services	183,060	172,149	10,911
Utilities	873,990	852,210	21,780
Ordinary maintenance and operation	623,780	652,255	(28,475)
General expenses	411,070	418,935	(7,865)
Nonroutine maintenance	-	26,906	(26,906)
Casualty loss - non-capitalized	-	24,630	(24,630)
Capital expenditures	22,150	-	22,150
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	2,751,230	2,722,819	28,411
NET OPERATING INCOME BEFORE DEPRECIATION	\$ 442,040	\$ 448,952	\$ 6,912
DEPRECIATION EXPENSE NOT BUDGETED		\$ 1,026,368	
NET OPERATING LOSS AFTER DEPRECIATION		\$ (577,416)	

Houma-Terrebonne Housing Authority

SCHEDULE OF CAPITAL FUND COSTS - UNCOMPLETED

Year ended September 30, 2008

	LA-48P090501- 05 2005	LA-48P090501- 06 2006	LA-48R090501- 07 (RHF) 2007	LA-48R090501- 08 (RHF) 2008
Funds approved	\$ 866,957	\$ 862,595	\$ 814,911	\$ 100,490
Funds expended	<u>510,617</u>	<u>79,672</u>	<u>100,490</u>	<u>85,037</u>
Excess of funds approved	<u>\$ 356,340</u>	<u>\$ 782,923</u>	<u>\$ 714,421</u>	<u>\$ 15,453</u>
Funds advanced	\$ 395,235	\$ 56,514	\$ 22,506	\$ -
Funds expended	<u>510,617</u>	<u>79,672</u>	<u>100,490</u>	<u>85,037</u>
Excess funds advanced (expended)	<u>\$ (115,382)</u>	<u>\$ (23,158)</u>	<u>\$ (77,984)</u>	<u>\$ (85,037)</u>

Houma-Terrebonne Housing Authority

CERTIFICATION OF ACTUAL MODERNIZATION COSTS AND ADVANCES -
CAPITAL FUND PROGRAM

Year ended September 30, 2008

GRANT NUMBER	LA-48P090501-04	LA-48R090501-05	LA-48R090501-06
PROGRAM	2004	2005 (RHF)	2006 (RHF)
BUDGET	<u>\$ 962,486</u>	<u>\$ 106,908</u>	<u>\$ 106,370</u>
Advances	\$ 962,486	\$ 106,908	\$ 106,370
Program Income - Interest	<u>-</u>	<u>-</u>	<u>-</u>
	962,486	106,908	106,370
Costs	<u>962,486</u>	<u>106,908</u>	<u>106,370</u>
Excess/(Deficiency) of Advances Due To/ (From) HUD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Actual Modernization Cost Certificate is in agreement with the Authority's records	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
All modernization work in connection with the grant have been completed	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
All liabilities have been paid and there are no undischarged mechanics', laborers' contractors' or material-men's liens against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
There were no budget overruns.	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>